



GREEN FINANCING MECHANISM AND CHALLENGES IN THE CAREC REGION

Online Policy Dialogue

2 June 2026, 16:00-18:00 (Beijing time, GMT +8)

I. Background

The CAREC region confronts numerous urgent challenges, with climate change standing as the most pressing priority for member states and multilateral development partners alike. Escalating global warming impacts including destabilized livelihoods, degraded ecosystems, and threatened economic security are intensifying climate risks across the region. Central Asia faces particularly acute vulnerabilities, enduring severe environmental pressures such as rising temperatures, accelerating glacier loss, the ongoing disappearance of the Aral Sea, and increasingly frequent extreme weather events including droughts and floods (CAREC, Climate Inaction Report 2024).

Recent analyses by the Asian Development Bank and CAREC Institute underscore the critical need to scale up climate finance mobilization. While growing recognition of climate threats has spurred stronger national commitments and enhanced regional cooperation, fundamental structural barriers remain. These challenges include lack of a systematic approach, the development of a green taxonomy and investment ecosystem, and the lack of coordinating action/regional integration.

Compounding these issues, the region struggles with contentious debates and widely divergent estimates about green investment requirements, particularly in Central Asia where understanding of financing mechanisms and market potential remains limited. Current assessments indicate Central Asia requires approximately \$38 billion annually in sustainable climate finance through 2030 - a stark contrast to the mere \$10 billion in total foreign direct investment recorded in 2022 (UNECE, 2023). This yawning financing gap highlights the indispensable role private capital must play in delivering sustainable infrastructure solutions across the region.

To address these urgent challenges, the CAREC Institute conducted research exploring Green Financing Pathways and Navigating Future Obstacles. This research serves multiple purposes: enhancing capacity building, raising awareness of climate finance solutions, encouraging investments in sustainable development, and attracting vital funding from both local and international sources. Through data-driven analysis and actionable recommendations, the CAREC Institute's research aims to become an essential resource for promoting green growth and strengthening climate resilience across the CAREC region.

II. Key Objectives

The CAREC Institute's research 'Green Financing Pathways and Navigating Future Obstacles' aims to document and track challenges, opportunities, and feasible models to create a conducive environment for climate finance, focusing on the financial structure and market dynamics of the CAREC region. Based on this research, the policy dialogue will focus on green investment ecosystem to narrow the green investment gaps in core sectors.

The policy dialogue's specific objectives are:

- To provide overview of globally accepted financing tools for green/climate investments, their availability and applicability in the CAREC market.
- To discuss successful case studies on green technologies/investment and their implications for various regional industries.
- To explore the role and impact of PPP in advancing green projects, including key models, success factors, and lessons learned from existing initiatives.
- To examine the role of environmental regulations, initiatives, and institutional support in fostering green investment in the CAREC region.
- To offer an inclusive green investment ecosystem for major industries in the CAREC region.

III. Date, Mode, and Target Audience

Date: A half-day policy dialogue is scheduled for 2 June 2026 from 16:00-18:00 Beijing time (GMT +8).

Languages: English and Russian with simultaneous interpretation.

Mode of participation: online. The event will be recorded and uploaded to the CAREC Institute E-Learning platform as guiding digital learning materials—serving as the basis for further cascading knowledge support to member countries and all stakeholders in this area.

Target Audience: The policy dialogue is intended for national policymakers involved in economic, fiscal, and monetary policy, while also welcoming experts and a broader interested audience from the CAREC region and beyond to engage with and gain insights from expert presentations and discussions.

Registration: Participants should register for the policy dialogue through the following link.

IV. Draft Agenda

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- 15:50-16:00** Virtual Connection to the Policy Dialogue and Webinar Rules
Ms. Rose Shao, Capacity Building Specialist, the CAREC Institute
- 16:00-16:10** **Opening Remarks**
Dr. Kuat Akizhanov, Deputy Director Two, CAREC Institute
Dr. Roman Mogilevskii, Senior Regional Cooperation Economist, Central and West Asia Department, ADB
- Group Photo**
- Moderator:** **Dr. Ilhom Abdulloev**, Chief of the Capacity Building Division, CAREC Institute
- 16:10-16:30** **Research Spotlight: Green Finance Importance in the CAREC Region**
Dr. Kuat Akizhanov, Deputy Director Two, CAREC Institute
- 16:30-17:10** **Research's main findings and key policy implications for the region**
Dr. Asif Razzaq, Senior Research Specialist, CAREC Institute
- 17:10-17:30** **Discussion session featuring national experts who will share insights from their respective countries**
Experts Invited
- 17:30-17:50** **Questions and Answers**
- 17:50-18:00** **Closing Remarks**
Dr. Kuat Akizhanov, Deputy Director Two, CAREC Institute

Notes:

Time limits

Presentations of research findings – 40 minutes

Questions and answers - 30 minutes. The chair/moderator will pick up some questions from the floor for the panelists from 'Q&A' box or from 'raised hands'.

Questions

Questions will be welcomed during the policy dialogue. After the presentations, there will be a live discussion. Attendees may use 'Q&A' at the bottom of your screen to type their questions. Speakers, please type answers to the questions in 'Q&A' after your presentation.

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Simultaneous Interpretation by Zoom will be available. Please select from the bottom panel which language for interpretation you would like: English or Russian.